

Chris O'Brien

From: alcharbonneau@verizon.net
Sent: Wednesday, July 15, 2020 11:02 AM
To: Chris O'Brien
Subject: RIBGH Request to Testify
Attachments: Honorable Marvin_L_Abney_Proposed_Budget_Article_Relating_to_Telemedicine.docx

Please accept this email as a request to testify during today finance committee hearing.

Al Charbonneau



July 15, 2020

The Honorable Marvin L. Abney
Chairman, House Finance Committee
Rhode Island General Assembly
82 Smith Street
Providence, Rhode Island 02903

Subject: Proposed New Article for the FY 2021 Appropriations Act (20-H-7171) – Relating to Telemedicine

Dear Chairman Abney,

I am writing on behalf of the Board of Directors of the Rhode Island Business Group on Health and its 90 member companies, representing over 80 thousand Rhode Island employees. We would like to express our opposition, as drafted, to the new article - Relating to Telemedicine - proposed for the FY 2021 Appropriations Act (20-H-7171).

I would like to begin by stating that the Rhode Island Business Group on Health and many businesses across the state support the evidence-based expansion of telemedicine as a new tool to help improve access, quality and lower costs. The preceding goals need to be addressed because Rhode Island has major affordability issues that are causing a substantial decline in the number of people covered by large and small group commercial health insurance. In 2018, average family premiums in the state of Rhode Island, according to data from the National Association of Insurance Commissioners, equaled slightly more than 29% of median household income. The cost of health insurance premiums is a major factor leading to a decline, over the last 8 years, in large and small group subscribers, by almost 30% and 47% respectively.

Our opposition to the proposed budget article “Relating to Telemedicine,” as drafted, is based on the following issues:

- **Timing:** The article proposes to extend many of the emergency provisions, established to respond to the COVID-19 pandemic, through June 30, 2021. We believe this yearlong extension exposes Rhode Island to unintended consequences. For example, Kaiser Health News¹ reports that even with the best of intentions, some patients are angry because the highly fragmented US health care system has resulted in a myriad of issues including patients being billed for telephone calls that used to be free. It is not a stretch to think that a long roll out that does not incorporate lessons learned during the pandemic could lead to a new source of confusion and “surprise billing” that will anger patients. Further, the Health and Human Services Inspector General’s Office

¹ Kaiser Health News, Telehealth Will Be Free, No Copays, They Said. But Angry Patients Are Getting Billed.

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continues to express concerns about fraud and abuse. It is worth noting that Kaiser Health News² reported that in "September of 2019, the Justice Department charged 35 people in connection with a telemedicine scheme that allegedly ripped off more than \$2.1 billion from Medicare..." representing one of the largest frauds in U.S. history.

- **Affordability:** One of the arguments often stated in support of telemedicine is that it will save money and therefore make health insurance more affordable. Yet there is a growing body of research suggesting that implementing telemedicine, in a fee-for-service market such as in the state of Rhode Island, may result in increased utilization and cost for employers and employees. The RAND Corporation, one of the world's most recognized experts in health insurance, studied claims data for 300,000 patients between 2011-2013. RAND researchers estimated that 12% of the telemedicine visits saved money by replacing visits to other providers while 88% of the visits represented new utilization that increased health care spending. The RAND researchers concluded that telemedicine "may increase access by making certain care more convenient for certain patients, but it may also increase utilization and health care spending."
- **Payment Parity:** The proposed budget article extends through June 30, 2021, the payment parity provisions in the Governor's COVID-19 emergency proclamation. One of these provisions deems an audio only telephone call to be the equivalent of an in-person office visit. While understandable in the midst of a pandemic, the "new normal" requires exercising the due diligence necessary to support the creation of a clinically appropriate, cost effective, high quality, value-based telemedicine payment system. The idea of proposing a new budget article – "relating to telemedicine" that extends the emergency provisions for a year without considering the lessons learned from the last six months of claims data exposes the purchasing community, employers and consumers, to the potential of increased costs.

The Rhode Island Business Group on Health respectfully recommends the following actions:

- Extend the telemedicine emergency provisions through December 31, 2020.
- Immediately convene the Office of the Health Insurance Commissioner's Community Stakeholder Group with the goal of reporting final guidance to the General Assembly in January 2021.

Thank you for considering our position.

Sincerely,



Executive Director

² Kaiser Health News, Coronavirus Fuels Explosive Growth In Telehealth — And Concern About Fraud